

**BEFORE THE
TENNESSEE STATE BOARD OF EQUALIZATION**

In Re: Norma J. Daly (Norma Sparks))
 District D2, Block 16, Parcel 292) Shelby County
 Farm Property)
 Tax year 2005)

INITIAL DECISION AND ORDER

Statement of the Case

The Shelby County Board of Equalization ("county board") has valued the subject property for tax purposes as follows:

Market Values:

LAND VALUE	IMPROVEMENT VALUE	TOTAL VALUE	ASSESSMENT
\$625,900	\$138,700	\$764,600	—

Use (Greenbelt) Values:¹

LAND VALUE	IMPROVEMENT VALUE	TOTAL VALUE	ASSESSMENT
\$42,300	\$138,700	\$181,000	\$45,250

On May 3, 2006, the property owner filed an appeal with the State Board of Equalization ("State Board").

The undersigned administrative judge conducted a hearing of this matter on November 28, 2006 in Memphis. In attendance at the hearing were the appellant Norma Sparks and Shelby County Property Assessor's representative Jonathan Jackson.

Findings of Fact and Conclusions of Law

The approximately 29-acre parcel in question is located at 700 North Reid Hooker Road in Eads, near the Fayette County line. A ditch hinders access to the four or five acres of woods at the rear of the tract. Situated on this farmland are a 3,467-square-foot house and several other improvements whose values are not seriously disputed.

The hearing officer assigned to review Ms. Sparks' complaint to the county board recommended that the valuation of the subject land be reduced from \$625,900 (the Assessor's original appraisal) to \$475,500. But the Assessor's office took exception to that figure; and, after a hearing on April 5, 2006, the county board decided to affirm the Assessor's value.

At the hearing of this appeal, the taxpayer opined that the hearing officer's recommended land value of \$16,345 per acre was "fair." She identified several tracts of

¹This parcel has qualified for favorable tax treatment under the Agricultural, Forest and Open Space Land Act of 1976, as amended (Tenn. Code Ann. sections 67-5-1001 *et seq.*), popularly known as the "greenbelt" law.

comparable size in the neighborhood which are currently appraised at similar rates. Ms. Sparks also cited the sale of a nearby 42-acre tract at 880 North Reid Hooker Road on December 30, 2004 for \$800,000. Except for its higher elevation, she testified, that land was "about the same" as hers.

On the assumption that the valuation of the improvements was primarily at issue, the Assessor's representative had prepared a market analysis which consisted of much smaller tracts.²

Tenn. Code Ann. section 67-5-601(a) provides (in relevant part) that "[t]he value of all property shall be ascertained from the evidence of its sound, intrinsic and immediate value, for purposes of sale between a willing seller and a willing buyer without consideration of speculative values...."

Since the taxpayer seeks to change the present valuation of the subject property, she has the burden of proof in this administrative proceeding. State Board Rule 0600-1-.11(1).

Historically, for the most part, the State Board has rejected complaints to the extent that they are predicated on the alleged inequity of an appraisal in comparison with that of other property. As the Assessment Appeals Commission succinctly observed in the appeal of Stella L. Swope (Davidson County, Tax Years 1993 & 1994, Final Decision and Order, December 7, 1995):

The assessor's recorded values for other properties may suffer from errors just as Ms. Swope has alleged for her assessment, and therefore the recorded values cannot be assumed to prove market value.

Id. at p. 2.

In the instant case, the most probative evidence of the market value of the subject land as of the January 1, 2005 reappraisal date appears to be the aforementioned sale of 880 North Reid Hooker Road just two days before then. As Mr. Jackson pointed out, since that was a substantially larger tract, an upward adjustment of the \$19,048-per acre sale price is appropriate. But the lack of immediate access to a portion of the property under appeal must also be considered. Taking each of these factors into account, the administrative judge respectfully recommends a value of \$20,000 per acre for this land, or \$581,800.

Order

It is, therefore, ORDERED that the following values be adopted for tax year 2005:

²In fairness to Mr. Jackson, it should be noted that the county board's hearing officer had recommended a drastically reduced total improvement value of \$10,000. Further, given the exceptionally advantageous greenbelt assessment on the subject land, the Assessor's office could reasonably have believed that the taxpayer was contesting the present building value (\$138,700). Greenbelt land values are determined by the State Division of Property Assessments in accordance with Tenn. Code Ann. section 67-5-1008.

Market Values:

LAND VALUE	IMPROVEMENT VALUE	TOTAL VALUE	ASSESSMENT
\$581,800	\$138,700	\$720,500	—

Use (Greenbelt) Values:

LAND VALUE	IMPROVEMENT VALUE	TOTAL VALUE	ASSESSMENT
\$42,300	\$138,700	\$181,000	\$45,250

Pursuant to the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-301—325, Tenn. Code Ann. § 67-5-1501, and the Rules of Contested Case Procedure of the State Board of Equalization, the parties are advised of the following remedies:

1. A party may appeal this decision and order to the Assessment Appeals Commission pursuant to Tenn. Code Ann. § 67-5-1501 and Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization. Tennessee Code Annotated § 67-5-1501(c) provides that an appeal **“must be filed within thirty (30) days from the date the initial decision is sent.”** Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization provides that the appeal be filed with the Executive Secretary of the State Board and that the appeal **“identify the allegedly erroneous finding(s) of fact and/or conclusion(s) of law in the initial order”**; or
2. A party may petition for reconsideration of this decision and order pursuant to Tenn. Code Ann. § 4-5-317 within fifteen (15) days of the entry of the order. The petition for reconsideration must state the specific grounds upon which relief is requested. The filing of a petition for reconsideration is not a prerequisite for seeking administrative or judicial review.

This order does not become final until an official certificate is issued by the Assessment Appeals Commission. Official certificates are normally issued seventy-five (75) days after the entry of the initial decision and order if no party has appealed.

ENTERED this 20th day of December, 2006.

Pete Loesch

PETE LOESCH
ADMINISTRATIVE JUDGE
TENNESSEE DEPARTMENT OF STATE
ADMINISTRATIVE PROCEDURES DIVISION

cc: Norma Sparks
Tameaka Stanton-Riley, Appeals Manager, Shelby County Assessor's Office

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